

# HOUSE BILL REPORT

## ESSB 5915

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**As Reported by House Committee On:**  
Commerce & Labor

**Title:** An act relating to unemployment and industrial insurance notices required to be posted by employers.

**Brief Description:** Providing unemployment and industrial insurance notices to employers.

**Sponsors:** Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Honeyford, Clements, Kohl-Welles and Roach).

**Brief History:**

**Committee Activity:**

Commerce & Labor: 3/22/07, 3/30/07 [DPA].

<p><b>Brief Summary of Engrossed Substitute Bill</b> <b>(As Amended by House Committee)</b></p> <ul style="list-style-type: none"><li>• Requires the Employment Security Department and the Department of Labor and Industries to send employers printed material that the agencies recommend or require employers to post.</li></ul>
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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass as amended. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Green, Moeller and Williams.

**Staff:** Jill Reinmuth (786-7134).

**Background:**

Unemployment Compensation

The unemployment compensation program provides partial wage replacement benefits to covered workers who are unemployed through no fault of their own. The program is administered by the Employment Security Department.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Employers must post notices stating that they are liable for taxes under the Employment Security Act. The notices must provide information about how to register for work and file claims for benefits, as well as rights to benefits. The notices are to be posted in conspicuous places close to the actual location where the personal services are performed.

#### Industrial Insurance

The industrial insurance program provides medical and partial wage replacement benefits to covered workers who are injured on the job or who develop an occupational disease. Employers who are not self-insured must insure with the state fund operated by the Department of Labor and Industries.

Employers must post notices stating that they are subject to the Industrial Insurance Act. The notices must indicate whether the employer is insured with the state fund or self-insured, and designate persons on the premises to whom reports of injury must be made.

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#### **Summary of Amended Bill:**

When employers initially file applications for master business licenses and register to pay unemployment insurance taxes and industrial insurance taxes, the Employment Security Department and the Department of Labor and Industries (collectively, the "agencies") must send employers any printed material that the agencies recommend or require employers to post. Any time the printed material has substantive changes, the agencies must send copies to employers.

#### **Amended Bill Compared to Engrossed Substitute Bill:**

The Employment Security Department and the Department of Labor and Industries are required to send employers printed material that the agencies recommend or require that employers post, rather than only printed material required under unemployment compensation and industrial insurance laws. A requirement that workers provide notices of industrial insurance claim applications to employers within 10 days of receiving medical treatment is deleted.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

#### **Staff Summary of Public Testimony:**

(In support) Certain companies mail official-looking notices to employers informing them that they are legally required to display certain posters, and selling these posters for \$39.95 to

\$69.95. These posters are available from the government for free. This bill makes sure that agencies send out the posters. Otherwise, small employers think they must pay for these posters.

When the Department of Labor and Industries receives a claim, the employer gets a copy within a couple of days. However, when the worker goes to a health care provider and the claim sits on the provider's desk, the employer may not get a copy for weeks or months. If the provider does not send in the notice and the worker does not show up for work, the employer does not know what is going on. By providing the notice to employers, it will facilitate better claims management and quicker recoveries for workers. In every other state, workers' compensation claims are initiated through employers. It is not too much to ask that the employer get a notice of claims.

(Information only) There is no fiscal impact related to sending out the posters.

The Department of Labor and Industries sends posters out to new employers. There has not been a substantive change to the industrial insurance poster for years. It should be noted that this bill applies only to the industrial insurance poster, and not minimum wage and other posters.

The Employment Security Department sends out a new employer packet which includes required posters. If legislation required substantive changes to unemployment insurance posters, any fiscal impact would be attached to that legislation.

The Senate floor amendment requires the Department of Labor and Industries to notify employers. As soon as an employer is attached to a claim, the Department sends a letter to the employer. This is a fairly new development.

In addition, the employer reporting pilot project started January 1. It is too early to report on the results of that project. Between 350 and 400 employers are participating in that project.

There are some providers who do not submit claims very quickly. The Department of Labor and Industries is using the Centers for Occupational Health and Education to educate providers about the importance of submitting claims more quickly.

(Opposed) The Department of Labor and Industries and the Employment Security Department already provide forms to employers.

Workers are already giving notice to their employers. Section 3 creates redundancy. Health care providers send the notices to the Department of Labor and Industries, and then the Department of Labor and Industries sends the notices to the employers. One more requirement for another notice doesn't really do anything. The Senate floor amendment adding this requirement was beyond the scope of the original bill.

**Persons Testifying:** (In support) Dan Fazio, Washington Farm Bureau; and Gary Smith, Independent Business Association.

(Information only) Vickie Kennedy, Department of Labor and Industries; and Jill Will, Employment Security Department.

(Opposed) Owen Linch, Joint Council of Teamsters; and Michael Temple, Washington State Trial Lawyers Association.

**Persons Signed In To Testify But Not Testifying:** None.